

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: January 6, 1997
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Due to the latest data available as of January 6, 1997, the Producer Formula Index has been calculated to be \$292.67.

[Docket #69-84, first price announcement eff: 7/01/84]

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE FEBRUARY 1, 1997:

The minimum price to be paid milk producers, under ARM 32.24.301, will be \$14.16 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of nine and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be ninety-five cents (\$0.95).

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$12.19 /CWT

Average spray process dry milk solids

price per pound	=	\$1.21250
Multiplied by 8.2	x	8.2

PLUS +

\$9.94250

\$9.94250

Average Grade 'A' 92 score butter

price per pound	=	\$0.80500
Multiplied by 4.2	x	4.2

\$3.38100

+ \$3.38100

LESS 8.5% (\$13.32350 X .085)

\$13.32350
- \$1.13250

\$12.19100

Rounded to the nearest whole cent = \$12.19 /hundredweight.

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND**\$0.90 /LB**

Butterfat differential	(\$0.80500	X .111)	=	\$0.08936
Rounded to the nearest half cent				=	\$0.090

CLASS II VALUE OF ONE POUND OF SKIM**0.093678756 /LB**

Butterfat value per pound	=	\$0.90
for milk at 3.5% test:		

Hundredweight price of milk testing 3.5%	=	\$12.19
LESS 3.5 pounds of butterfat at	\$0.90 per pound	\$3.150

Value of 96.5 pounds of skim	=	\$9.040
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Value of one pound of skim	9.040 / 96.5 pounds)	=	\$0.09368 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$0.72 /LB**

Avg. Grade 'A' 92 score butter price/LB	\$0.80500
LESS 10%	\$0.08050
	\$0.72450

Rounded to the nearest whole cent	=	\$0.72 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**8.25227 /CWT**

Avg. spray process dry milk solid price/LB	\$1.21250
Multiplied by 8.2	8.2

	\$9.94250
LESS 17%	\$1.69023

\$8.25227

Rounded to the nearest whole cent	=	\$8.25 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.48 /CWT**

3.5 pounds of butterfat	x	\$0.72 per pound =	\$2.520
96.5 pounds of skim		\$0.08252 per pound =	\$7.963

\$10.483 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz
 Marlys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.89 FOR 3.5% MILK 96.5 LBS = \$10.565		CLASS II SKIM PRICE BASED ON \$12.19 FOR 3.5% MILK 96.5 LBS = \$9.040		CLASS III SKIM PRICE BASED ON \$10.48 FOR 3.5% MILK 96.5 LBS = \$7.963	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10836	2.50	\$0.09272	2.50	\$0.08167
2.55	\$0.10841	2.55	\$0.09277	2.55	\$0.08172
2.60	\$0.10847	2.60	\$0.09281	2.60	\$0.08176
2.65	\$0.10853	2.65	\$0.09286	2.65	\$0.08180
2.70	\$0.10858	2.70	\$0.09291	2.70	\$0.08184
2.75	\$0.10864	2.75	\$0.09296	2.75	\$0.08188
2.80	\$0.10869	2.80	\$0.09300	2.80	\$0.08193
2.85	\$0.10875	2.85	\$0.09305	2.85	\$0.08197
2.90	\$0.10881	2.90	\$0.09310	2.90	\$0.08201
2.95	\$0.10886	2.95	\$0.09315	2.95	\$0.08205
3.00	\$0.10892	3.00	\$0.09320	3.00	\$0.08209
3.05	\$0.10897	3.05	\$0.09324	3.05	\$0.08214
3.10	\$0.10903	3.10	\$0.09329	3.10	\$0.08218
3.15	\$0.10909	3.15	\$0.09334	3.15	\$0.08222
3.20	\$0.10914	3.20	\$0.09339	3.20	\$0.08226
3.25	\$0.10920	3.25	\$0.09344	3.25	\$0.08231
3.30	\$0.10926	3.30	\$0.09349	3.30	\$0.08235
3.35	\$0.10931	3.35	\$0.09353	3.35	\$0.08239
3.40	\$0.10937	3.40	\$0.09358	3.40	\$0.08243
3.45	\$0.10943	3.45	\$0.09363	3.45	\$0.08248
3.50	\$0.10948	3.50	\$0.09368	3.50	\$0.08252
3.55	\$0.10954	3.55	\$0.09373	3.55	\$0.08256
3.60	\$0.10960	3.60	\$0.09378	3.60	\$0.08261
3.65	\$0.10965	3.65	\$0.09382	3.65	\$0.08265
3.70	\$0.10971	3.70	\$0.09387	3.70	\$0.08269
3.75	\$0.10977	3.75	\$0.09392	3.75	\$0.08273
3.80	\$0.10982	3.80	\$0.09397	3.80	\$0.08278
3.85	\$0.10988	3.85	\$0.09402	3.85	\$0.08282
3.90	\$0.10994	3.90	\$0.09407	3.90	\$0.08286
3.95	\$0.10999	3.95	\$0.09412	3.95	\$0.08291
4.00	\$0.11005	4.00	\$0.09417	4.00	\$0.08295
4.05	\$0.11011	4.05	\$0.09422	4.05	\$0.08299
4.10	\$0.11017	4.10	\$0.09426	4.10	\$0.08304
4.15	\$0.11022	4.15	\$0.09431	4.15	\$0.08308
4.20	\$0.11028	4.20	\$0.09436	4.20	\$0.08312
4.25	\$0.11034	4.25	\$0.09441	4.25	\$0.08317
4.30	\$0.11040	4.30	\$0.09446	4.30	\$0.08321
4.35	\$0.11045	4.35	\$0.09451	4.35	\$0.08325
4.40	\$0.11051	4.40	\$0.09456	4.40	\$0.08330
4.45	\$0.11057	4.45	\$0.09461	4.45	\$0.08334
4.50	\$0.11063	4.50	\$0.09466	4.50	\$0.08338

